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COMMISSIONER OF ADMINISTRATION

**State of Louisiana**  
Division of Administration  
**Office of State Uniform Payroll**

January 11, 2013

OFFICE OF STATE UNIFORM PAYROLL MEMORANDUM #2013-32

TO: LaGov HCM Paid Agency Human Resources  
and Employee Administration Staff

FROM: Andrea P. Hubbard  
Director

SUBJECT: Deferred Compensation and Tax Shelter Annuity Limits for Calendar  
Year 2013

For calendar year 2013, the limitations on deferrals under §457(e)(15) of the Internal Revenue Code (LaGov HCM plans 457A, 457B, 457C, 457D, 457R, and 457S) and §403(b) of the IRS code (IT014 403(b) deductions) have changed. The plan limit for employees under the age of 50 has changed from \$17,000 to \$17,500 per year or 100% of includible compensation (gross wages paid minus deferred retirement contributions), whichever is less. The limit has been increased to \$23,000 for employees age 50 or over. The catch-up limit for the §457(e)(15) has changed from \$34,000 to \$35,000 per year for those contributors who are within three years of retirement, but not in the year of retirement. Other limits under §403(b) may apply based on certain allowable elections made by the employee. Refer to the employee application or contact the vendor to determine if an employee is exercising an allowable election.

Employees enrolled in LA Deferred Compensation in lieu of Social Security/Retirement (LaGov HCM Plan Code 457R) contribute 7.5% on compensation up to the Social Security wage base limit. The wage base limit increased to \$113,700 for calendar year 2013. LaGov HCM will automatically stop deductions when this limit is reached. Refer to [OSUP Memorandum 2009-01](#) for additional information on the 457R wage base limit.

**Note:** Employees who are enrolled in both the 457R and 457S plans may contribute a total of \$17,500 combined. Employees who work in agencies where both the 457 and 403(b) plans are available may fully contribute up to the annual contribution limits in both plans. Employees may contact the LA Deferred Compensation Plan staff at (225) 926-8082 extension "0" or their respective 403(b) provider for more information.

Agencies are responsible for monitoring employee contribution amounts throughout the year to avoid employees exceeding the annual limits. The following two reports are available in LaGov HCM to aid in the monitoring of balances:

ZP68 Dependent Care/Health Care/Deferred Comp Balances Monitor Report  
ZP119 403(b) Contributions Balance Report

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Agencies should contact LA Deferred Compensation Plan staff on questions regarding §457 deductions. Agencies should contact the individual vendor on questions regarding 403(b) deductions. Agencies can also visit the IRS website (<http://www.irs.gov>) for more information about deferrals and tax shelters. Direct all other questions to a member of the OSUP Wage and Tax Administration Unit at [\\_DOA-OSUP-WTA@la.gov](mailto:_DOA-OSUP-WTA@la.gov) or (225):

Tracy Smith	219-0191	Wendy Eggert	342-0714
Tiko Ary	342-1651	Penny Jones	342-2053
Gary Bennett	342-1652	Cindy McClure	342-5346

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